

To: St. Michel, Graham@DOC[Graham.StMichel@conservation.ca.gov]; Reeves, Bruce@DOC[Bruce.Reeves@conservation.ca.gov]
Cc: Moffatt, Brett[Moffatt.Brett@epa.gov]; Quast, Sylvia[Quast.Sylvia@epa.gov]
From: Engelman, Alexa
Sent: Thur 1/29/2015 11:20:04 PM
Subject: RE: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

Graham,

Thank you for providing this additional information about the Fruitvale Oil Field matter. As always, we appreciate hearing of legal developments related to the DOGGR Class II program.

Best,

Alexa

From: St. Michel, Graham@DOC [mailto:Graham.StMichel@conservation.ca.gov]
Sent: Thursday, January 29, 2015 11:52 AM
To: Engelman, Alexa; Reeves, Bruce@DOC
Cc: Moffatt, Brett; Quast, Sylvia
Subject: RE: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

Alexa,

It occurred to us that you may not be aware of a second lawsuit Hathaway filed against the Department of Conservation in December. This lawsuit alleges that DOGGR has unreasonably delayed action on Hathaway's request for approval to inject into the Santa Margarita underlying the Fruitvale Oil Field. Hathaway claims the Santa Margarita underlying Fruitvale was identified as an exempt aquifer in the primacy documents. Unlike Hathaway's Kern Front lawsuit, which alleges an exemption for one of the eleven disputed aquifers, the Fruitvale lawsuit alleges an exemption for an aquifer included in the "California Oil and Gas Fields, Volume 1," which is referenced in both versions of Memorandum of Agreement. This lawsuit is therefore not about one of the eleven disputed aquifers.

Hathaway contends the Santa Margarita underlying Fruitvale Field is unquestionably exempt, while DOGGR has not accepted Hathaway's contention unless Hathaway can demonstrate with convincing evidence that the specific portion of the Santa Margarita

into which injection will occur either (1) was hydrocarbon-producing at the time primacy was approved, or (2) is currently hydrocarbon-producing.

I think I mentioned this issue – which goes to the interpretation of the scope of exemptions granted via the reference to “California Oil and Gas Fields” – to Brett when we spoke over the phone some months ago, but at that point there was no lawsuit. DOGGR filed an answer to the complaint on January 23 (attached, but we don’t yet have the file stamped copy from court). About a week prior, DOGGR also responded to the application by requesting that Hathaway provide more information, in part asking Hathaway to demonstrate that the proposed injection zone is or was hydrocarbon-bearing.

As a general point, we have also noted internally that EPA’s attached letter, apparently shared with our Bakersfield office, states that the exemptions “were approved for the hydrocarbon producing portions of” the Santa Margarita formation underlying Fruitvale field. This characterization seems consistent with DOGGR’s current position in this case that the exemption does not necessarily extend throughout the entire vertical strata of the formation.

Happy to discuss further if you have questions.

Graham

From: Engelman, Alexa [<mailto:ENGELMAN.ALEXA@EPA.GOV>]
Sent: Tuesday, January 27, 2015 7:46 PM
To: St. Michel, Graham@DOC; Reeves, Bruce@DOC
Cc: Moffatt, Brett; Quast, Sylvia
Subject: RE: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

Thank you Graham, I appreciate you keeping us in the loop as this case develops.

Best,

Alexa

From: St. Michel, Graham@DOC [<mailto:Graham.StMichel@conservation.ca.gov>]
Sent: Tuesday, January 27, 2015 4:31 PM
To: Reeves, Bruce@DOC; Engelman, Alexa; Quast, Sylvia; Moffatt, Brett; Wyels, Philip@Waterboards
Subject: RE: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

Alexa,

Attached is DOGGR's answer to Hathaway's September 2014 petition concerning a proposed injection project into the Santa Margarita formation at Kern Front oil field. Brett may recall a phone discussion he and I had about DOGGR's responses prior to the document being filed (we wanted to give your office a heads up regarding how we were proposing to answer). The answer is DOGGR's only substantive filing to date in this case.

Regards,
Graham

From: Reeves, Bruce@DOC
Sent: Monday, January 26, 2015 4:03 PM
To: Engelman, Alexa; Quast, Sylvia; Moffatt, Brett; Wyels, Philip@Waterboards
Cc: St. Michel, Graham@DOC
Subject: RE: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

No problem. I've asked Graham to do so, though there isn't much yet.

BR

From: Engelman, Alexa [<mailto:ENGELMAN.ALEXA@EPA.GOV>]
Sent: Monday, January 26, 2015 3:26 PM
To: Reeves, Bruce@DOC; Quast, Sylvia; Moffatt, Brett; Wyels, Philip@Waterboards
Subject: RE: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

Thank you for passing this along Bruce. Would it be possible for you to share with us the DOC answer and/or other motions filed by the State in response to the Hathaway complaint and writ filed in September?

Best,

Alexa

From: Reeves, Bruce@DOC [<mailto:Bruce.Reeves@conservation.ca.gov>]
Sent: Monday, January 26, 2015 1:18 PM
To: Quast, Sylvia; Engelman, Alexa; Moffatt, Brett; Wyels, Philip@Waterboards
Cc: Turner, Justin@DOC; St. Michel, Graham@DOC
Subject: FYI: Hathaway now seeks faster court determination in Santa Margarita/Kern Front case

This just in. Let me know if you want any of the other papers. This is one of the 11 aquifers.

Bruce Reeves

Chief Counsel

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